

Schedule A - Gross Income Tax Calculation (LC. 6-2.1-2)
(This schedule must be completed)

	COLUMN A 1.2% (.012) High Rate Receipts		COLUMN B .3% (.003) Low Rate Receipts	
1. Commissions and fees				
2. Interest and dividends				
3. Rents, leases, and sales of real estate (without deductions)				
4. Sale of securities, personal property, and depreciable assets (without deductions)				
5. Gross earnings (see instructions)				
6. Contractor receipts and other service receipts				
7. Partnership distributions, other receipts (attach explanation)				
8. Contractor's sale of materials				
9. Selling at retail				
10. Laundering, drycleaning, industrial processing (excluding receipts from coin-operated equipment), and commercial printing (excluding photocopying)				
11. Sales of agricultural products				
12. Sales at wholesale				
13. Hotel and motel rental receipts (for less than 30 days)				
14. SUBTOTALS (ADD LINES 1-7 IN COLUMN A AND LINES 8-13 IN COLUMN B)	14A	0	14B	0
15. Nontaxable receipts (EXPLAIN IN SCHEDULE G)	15A	0	15B	0
16. Exemption (\$83.33 per month, total of columns A & B not to exceed \$1000)	16A	0	16B	1,000
17. Line 15 plus line 16 of each column		0		1,000
18. Amounts subject to tax (LINE 14 MINUS LINE 17). If less than zero, enter zero		0		0
19. Enter the amounts from line 18 multiplied by the respective tax rate for each column. Multiply line 18 Column A by .012. Multiply line 18 Column B by .003	18A	0	18B	0
20. TOTAL GROSS INCOME TAX: (ADD LINES 18A AND 18B)			20	0

Schedule B - Adjusted Gross Income Tax Calculation (Complete this schedule)

21. Federal taxable income (before federal net operating loss deduction and special federal deductions)	21	18
22. Enter net qualifying dividends deduction from federal Schedule C, Form 1120	22	0
23. Subtract line 22 from line 21	23	18
24. Add back: All state income taxes (taxes based on income)	24	
25. Add back: All charitable contributions	25	
26. Deduct: Interest on U.S. Government obligations less related expenses	26	
27. Deduct: Foreign gross up (attach federal Form 1118)	27	0
28. Total modifications (add lines 24 and 25, subtract lines 26 and 27)		0
29. Subtotal (add lines 23 and 28)	29	18
30. Foreign Source Dividends (Schedule H) and other adjustments. <Enter deductions in brackets>	30	0
31. Subtotal (add lines 29 and 30)		18
32. Deduct: Nonbusiness income and non-unitary partnership distributions from Schedule F, column C, line (10) (attach Schedule F)	32	0
33. Taxable business income (line 31 minus line 32)	33	18
34. Indiana apportionment percentage, if applicable, check method used and attach completed schedule. (Round percent to two decimals) Schedule E, line 4c <input type="text"/> 34a <input type="text"/> ; Schedule E-7 <input type="text"/> 34b <input type="text"/> ; or Other Apportionment Method <input type="text"/> 34c <input type="text"/>	34d	(Do Not Enter 100%) %
35. Indiana apportioned business income (multiply line 33 by percent on line 34d, if applicable; OTHERWISE, enter amount from line 33)	35	18
36. Add: Indiana nonbusiness income and Indiana non-unitary partnership income from Schedule F, column D, line (11) (attach Schedule F)	36	0
37. Total Indiana adjusted gross income before net operating loss deduction (line 35 plus line 36)	37	18
38. Indiana portion of net operating loss deduction. See instructions (attach Schedule IT-20NOL). Enter as a positive number	38	0
39. Total Indiana adjusted gross income (line 37 less line 38). (Also see line 41 instructions)	39	18
40. INDIANA ADJUSTED GROSS INCOME TAX: Multiply line 39 by 3.4% (.034)	40	1

Schedule C - Supplemental Net Income Tax Calculation (Complete this schedule)

41. Enter Indiana adjusted gross income from line 39. (If a loss is shown on line 39, enter zero and proceed to line 45)		18
42. Enter greater of gross income tax (line 20) or adjusted gross income tax (line 40)		1
43. Supplemental net income (line 41 minus line 42). If less than zero, enter zero here and on line 44		17
44. SUPPLEMENTAL NET INCOME TAX: Multiply line 43 by 4.5% (.045)	44	1

Schedule D - Total Income Tax Calculation (Complete this schedule)

45. Enter the greater of gross income tax (line 20) or adjusted gross income tax (line 40)		1
46. Enter supplemental net income tax from Schedule C, line 44 (cannot be less than zero)		1
47. TOTAL INCOME TAX: Add lines 45 and 46. Enter here and carry to Summary of Calculations, line 48, on the front of Form IT-20		2

ATX

BUSOP 02760

k

ATTACHMENT K

Business Options, Inc. 2001 Profit Loss Statement

Profit Loss

January through December 2001

Ordinary Income/Expense

Income

Intercompany Services

Bells

3,100.00

HBOS/Facilitel

121,041.02

Gallant/TB247

33,379.41

Total Intercompany Services

157,520.43

4050 - Revenue

4055 - Gallant / TB247

-200,000.00

4070 - Long Distance

8,254,828.24

Total 4050 - Revenue

8,054,828.24

Total Income

8,212,348.67

Cost of Goods Sold

Cost of Goods Sold

Carrier Bills - Qwest

0.00

Carrier Bills - BOS

1,785,466.09

Billing & Collections Fees

2,828,426.08

Management Fees - Avatar

Tail Payments & Shortages

422,875.04

Management Fees - Avatar - Other

858,783.39

Total Management Fees - Avatar

1,281,658.43

Total Cost of Goods Sold

5,895,550.60

Verification Services

133,868.65

Total COGS

6,029,419.25

Gross Profit

2,182,929.42

Expense

Refunds

0.00

Advertisement

3,411.16

6120 - Bank Service Charges

612.57

6150 - Depreciation Expense

46,507.00

6160 - Dues and Subscriptions

724.00

6170 - Equipment Rental

23,345.47

6180 - Insurance

8,008.86

6200 - Interest Expense

2,693.09

Internet Access

9,382.46

6230 - Licenses and Permits

11,072.64

6240 - Miscellaneous

38,019.61

6550 - Office Supplies

37,476.88

6560 - Payroll & Payroll Tax Expenses

Cash Games Paid

-10,380.36

BUSOP 06509

L

ATTACHMENT L

U.S. Bell, Inc. 2001 Federal Corporation Income Tax Return

1120

U.S. Corporation Income Tax Return

OMB No. 1545-0023

Department of the Treasury
Internal Revenue ServiceFor calendar year 2001 or tax year beginning ending
Instructions are separate. See page 20 for Paperwork Reduction Act Notice

2001

Check if a:	Name	B Employer identification number
1 Consolidated return <input type="checkbox"/>	U.S. BELL, INC.	88-0441162
2 Personal holding co. (attach Sch. PH) <input type="checkbox"/>	Number, street, and room or suite no. (If a P. O. box, see page 7.)	C Date incorporated
3 Personal service corp. (see instructions) <input type="checkbox"/>	8380 LOUISIANA	10/1/1999
	City or town State ZIP code	D Total assets (see page 8 of instructions)
	MERRILLVILLE IN 46410	

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change \$ 272,463

1a	Gross receipts or sales	8,212,349	b Less returns	0	c Balance	1c	8,212,349
2	Cost of goods sold (Schedule A, line 8)					2	6,029,419
3	Gross profit. Subtract line 2 from line 1c					3	2,182,930
4	Dividends (Schedule C, line 19)					4	0
5	Interest					5	176
6	Gross rents					6	0
7	Gross royalties					7	0
8	Capital gain net income (attach Schedule D (Form 1120))					8	0
9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)					9	0
10	Other income (see page 8 of instructions - attach schedule)					10	0
11	Total income. Add lines 3 through 10					11	2,183,106
12	Compensation of officers (Schedule E, line 4)					12	50,000
13	Salaries and wages (less employment credits)					13	1,433,850
14	Repairs and maintenance					14	14,557
15	Bad debts					15	0
16	Rents					16	116,319
17	Taxes and licenses					17	156,019
18	Interest					18	2,693
19	Charitable contributions (see page 10 of instructions for 10% limitation)					19	0
20	Depreciation (attach Form 4562)		20	46,507			
21	Less depreciation claimed on Schedule A and elsewhere on return		21a	0	21b	46,507	
22	Depletion				22	0	
23	Advertising				23	3,411	
24	Pension, profit-sharing, etc., plans				24	0	
25	Employee benefit programs				25	0	
26	Other deductions (attach schedule)				26	366,842	
27	Total deductions. Add lines 12 through 26				27	2,190,198	
28	Taxable income before NOL deduction and special deductions. Subtract line 27 from line 11				28	-7,092	
29	Less: a Net operating loss (NOL) deduction (see page 13 of instructions)	29a	0		29c	0	
	b Special deductions (Schedule C, line 20)	29b	0				
30	Taxable income. Subtract line 29c from line 28				30	-7,092	
31	Total tax (Schedule J, line 11)				31	0	
32	Payments:						
a	2000 overpayment credited to 2001	32a					
b	2001 estimated tax payments	32b					
c	Less 2001 refund applied for on Form 4466	32c	0		d Bal	32d	0
e	Tax deposited with Form 7004				32e	0	
f	Credit for tax paid on undistributed capital gains (attach Form 2439)				32f		
g	Credit for Federal tax on fuels (attach Form 4136). See instructions				32g	0	32h
33	Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached					33	0
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34	0
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35	0
36	Enter amount of line 35 you want: Credited to 2002 estimated tax				Refunded	36	0

BUSOP 02635

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date 7/10/02

PRESIDENT
TitleMay the IRS discuss this return
with the preparer shown below (see
instructions)? ☒ Yes ☐ NoPaid
Preparer's
Use OnlyPreparer's
signature

Date

7/2/2002

Check if self-
employed ☐Preparer's SSN or PTIN
P00013648

Firm's name

ALAN J. DORMANKIEWICZ & ASSOCIATES, INC., P.C.

EIN 36-4103994

(or yours)

POST OFFICE BOX 993

Phone no. (219) 926-2190

and address

CHESTERTON

State IN

ZIP code 46304

(HTA)

Form 1120 (2001)

M

ATTACHMENT M

**Excerpt from June 19, 2003, Responses of Business Options, Inc. to
Enforcement Bureau's Request for Admissions**

Admission Request Number 749:

Attachment M is a true and correct copy of BOI's response to the Letter of Inquiry ("Response").

Answer to Admission Request Number 749:

Admitted

Admission Request Number 750:

Since March 1, 2001, BOI has been and continues to be a telecommunications carrier that has provided interstate telecommunications service.

Answer to Admission Request Number 750:

Admitted

Admission Request Number 751:

At no time has BOI filed an FCC Form 499-A (Telecommunications Reporting Worksheet) with the Commission.

Answer to Admission Request Number 751:

Admitted

Admission Request Number 752:

BOI's response to question 3 of the Letter of Inquiry – "During this period no one representing BOI has changed the preferred carrier as specified in the complaints in Attachment A." – was untrue.

Answer to Admission Request Number 752:

BOI objects to this request as ambiguous and vague, so as to render the request incapable of being answered affirmatively or negatively, it is argumentative, assumes facts that are in controversy, purports to call for legal conclusions, and requests information regarding documents that are in the public domain.

N

ATTACHMENT N

**Declarations of Fabio Nieto and Richard Rhyner
of National Exchange Carrier Association**